

CORRECTED (if checked)

PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Patronage dividends \$	OMB No. 1545-0118  <b>2021</b> Form <b>1099-PATR</b>
		2 Nonpatronage distributions \$	
		3 Per-unit retain allocations \$	
PAYER'S TIN	RECIPIENT'S TIN	<b>4 Federal income tax withheld</b> \$	5 Redeemed nonqualified notices \$
RECIPIENT'S name  Street address (including apt. no.)		6 Section 199A(g) deduction \$	7 Qualified payments (Section 199A(b)(7)) \$
		8 Section 199A(a) qual. items \$	9 Section 199A(a) SSTB items \$
City or town, state or province, country, and ZIP or foreign postal code		10 Investment credit \$	11 Work opportunity credit \$
Account number (see instructions)		12 Other credits and deductions \$	13 Specified Coop <input type="checkbox"/>

**Taxable Distributions Received From Cooperatives**

**Copy B For Recipient**

This is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.

Form **1099-PATR**

(keep for your records)

[www.irs.gov/Form1099PATR](http://www.irs.gov/Form1099PATR)

Department of the Treasury - Internal Revenue Service

## Instructions for Recipient

Distributions you received from a cooperative may be includible in your income. Generally, if you are an individual, report any amounts shown in boxes 1, 2, 3, and 5 as ordinary income, unless nontaxable, on your income tax return. You must report any redemptions in boxes 2 and 5 as ordinary income to the extent of the stated dollar value because they were not taxable when issued to you. Amounts shown in boxes 7, 8, and 9 are information needed to compute your section 199A(a) deduction. See the Instructions for Form 8995 or 8995-A for more information.

**Recipient's taxpayer identification number (TIN).** For your protection, this form may show only the last four digits of your TIN. However, the issuer has reported your complete TIN to the IRS.

**Account number.** May show an account or other unique number the payer assigned to distinguish your account.

**Box 1.** Shows patronage dividends paid to you during the year in cash, qualified written notices of allocation (at stated dollar value), or other property (not including nonqualified allocations). Any dividends paid on (1) property bought for personal use or (2) capital assets or depreciable property used in your business are not taxable. However, if (2) applies, reduce the basis of the assets by this amount.

**Box 2.** Shows nonpatronage distributions paid to you during the year in cash, qualified written notices of allocation, or other property, and amounts you received in redemption of nonqualified written notices of allocation from nonpatronage sources.

**Box 3.** Shows patronage per-unit retain allocations paid to you during the year in cash, qualified per-unit retain certificates, or other property.

**Box 4.** Shows backup withholding. Generally, a payer must backup withhold if you didn't furnish your TIN. See Form W-9 and Pub. 505 for more information. Report this amount on your income tax return as tax withheld.

**Box 5.** Shows amounts you received when you redeemed nonqualified written notices of allocation and nonqualified per-unit retain allocations from patronage sources.

**Box 6.** Shows your share of the cooperative's section 199A(g) deduction passed through to you. The amount must have been designated in a written notice sent to you from the cooperative during the section 1382(d) payment period. To claim the deduction, you must not be a C corporation.

**Box 7.** Shows the amount of qualified payments paid to you on which the cooperative computed its section 199A(g) deduction. If there is an amount in this box and the amount is related to a trade or business for which you are claiming a section 199A(a) deduction, you are required to compute a reduction to your deduction per section 199A(b)(7).

**Box 8.** Shows items received and reported in boxes 1, 2, 3, and 5 that may qualify as qualified items from trades or businesses that are not a specified service trade or business (SSTB) for purposes of the section 199A(a) deduction. Items relating to SSTBs are reported separately in box 9.

**Box 9.** Shows amounts received and reported in boxes 1, 2, 3, and 5 from an SSTB that may qualify as qualified items for purposes of the section 199A(a) deduction. Use Form 8995 or 8995-A to determine your section 199A(a) deduction.

**Box 10.** Shows investment credits passed through to you by the cooperative. Use Form 3468 to compute your allowable credit.

**Box 11.** Shows work opportunity credits passed through to you. Use Form 5884 or 3800 to compute your allowable credit.

**Box 12.** Shows other credits and deductions passed through to you. For information on how to report credits, see the instructions for the specific credit form.

**Box 13.** If this box is checked, the information reported to you is from a specified agricultural or horticultural cooperative, as defined in section 199A(g)(4)(A).

**Future developments.** For the latest information about developments related to Form 1099-PATR and its instructions, such as legislation enacted after they were published, go to [www.irs.gov/Form1099PATR](http://www.irs.gov/Form1099PATR).

**FreeFile.** Go to [www.irs.gov/FreeFile](http://www.irs.gov/FreeFile) to see if you qualify for no-cost online federal tax preparation, e-filing, and direct deposit or payment options.

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PAYER'S name, street address, city or town, state or province, country, ZIP or foreign postal code, and telephone no.		1 Patronage dividends \$	OMB No. 1545-0118  <b>2021</b> Form <b>1099-PATR</b>
		2 Nonpatronage distributions \$	
		3 Per-unit retain allocations \$	
PAYER'S TIN	RECIPIENT'S TIN	4 Federal income tax withheld \$	5 Redeemed nonqualified notices \$
RECIPIENT'S name  Street address (including apt. no.)  City or town, state or province, country, and ZIP or foreign postal code		6 Section 199A(g) deduction \$	7 Qualified payments (Section 199A(b)(7)) \$
		8 Section 199A(a) qual. items \$	9 Section 199A(a) SSTB items \$
		10 Investment credit \$	11 Work opportunity credit \$
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>	12 Other credits and deductions \$	13 Specified Coop <input type="checkbox"/>

**Taxable Distributions Received From Cooperatives**

**Copy C For Payer**

For Privacy Act and Paperwork Reduction Act Notice, see the **2021 General Instructions for Certain Information Returns.**

Form **1099-PATR**

[www.irs.gov/Form1099PATR](http://www.irs.gov/Form1099PATR)

Department of the Treasury - Internal Revenue Service

## Instructions for Payer

To complete Form 1099-PATR, use:

- The 2021 General Instructions for Certain Information Returns, and
- The 2021 Instructions for Form 1099-PATR.

To order these instructions and additional forms, go to [www.irs.gov/OrderForms](http://www.irs.gov/OrderForms).

**Caution:** Because paper forms are scanned during processing, you cannot file Forms 1096, 1097, 1098, 1099, 3921, or 5498 that you print from the IRS website.

**Due dates.** Furnish Copy B of this form to the recipient by January 31, 2022.

File Copy A of this form with the IRS by February 28, 2022. If you file electronically, the due date is March 31, 2022. To file electronically, you must have software that generates a file according to the specifications in Pub. 1220. The IRS does not provide a fill-in form option for Copy A.

**Foreign recipient.** If the recipient is a nonresident alien, you may have to withhold federal income tax and file Form 1042-S. See the Instructions for Form 1042-S and Pub. 515.

**Need help?** If you have questions about reporting on Form 1099-PATR, call the information reporting customer service site toll free at 866-455-7438 or 304-263-8700 (not toll free). Persons with a hearing or speech disability with access to TTY/TDD equipment can call 304-579-4827 (not toll free).



# Instructions for Form 1099-PATR

## Taxable Distributions Received From Cooperatives

Section references are to the Internal Revenue Code unless otherwise noted.

### Future Developments

For the latest information about developments related to Form 1099-PATR and its instructions, such as legislation enacted after they were published, go to [IRS.gov/Form1099PATR](https://www.irs.gov/Form1099PATR).

### What's New

**Expiration of certain credits.** The Indian Employment Credit, Second Generation Biofuel Producer credits, and the Production Credit for Indian Coal Facilities reported in box 12 have expired. See [Box 12. Other Credits and Deductions](#), later.



*At the time these instructions went to print, these credits had not been extended. To find out if legislation extended the credits and made them available for 2021, go to [IRS.gov/FormsUpdates](https://www.irs.gov/FormsUpdates).*

### Reminders

In addition to these specific instructions, you should also use the 2021 General Instructions for Certain Information Returns. Those general instructions include information about the following topics.

- Who must file.
- When and where to file.
- Electronic reporting.
- Corrected and void returns.
- Statements to recipients.
- Taxpayer identification numbers (TINs).
- Backup withholding.
- Penalties.
- Other general topics.

You can get the general instructions at [IRS.gov/1099GeneralInstructions](https://www.irs.gov/1099GeneralInstructions).

**Online fillable copies.** To ease statement furnishing requirements, Copies B and C have been made fillable online in a PDF format available at [IRS.gov/Form1099PATR](https://www.irs.gov/Form1099PATR). You can complete these copies online for furnishing statements to recipients and for retaining in your own files.

## Specific Instructions

File Form 1099-PATR, Taxable Distributions Received From Cooperatives, for each person to whom the cooperative has paid at least \$10 in patronage dividends and other distributions described in section 6044(b), or from whom you withheld any federal income tax under the backup withholding rules regardless of the amount of the payment. A cooperative determined to be primarily engaged in the retail sale of goods or services that are generally for personal, living, or family use of the members may ask for and receive exemption from filing Form 1099-PATR. See Form 3491, Consumer Cooperative Exemption Application, for information about how to apply for this exemption. Report dividends paid on a cooperative's capital stock on Form 1099-DIV, Dividends and Distributions.



*Report on Form 1099-PATR only items of income, expenses, and credits that you properly pass through to patrons for reporting on the patron's tax return.*

**Exceptions.** Generally, you are not required to file Form 1099-PATR for payments made to a corporation, a tax-exempt organization including tax-exempt trusts (HSAs, Archer MSAs, and Coverdell ESAs), the United States, a state, a possession, or the District of Columbia. See Regulations section 1.6044-3(c).

### Statements to Recipients

If you are required to file Form 1099-PATR, you must furnish a statement to the recipient. For more information about the requirement to furnish statements to recipients, see part M in the 2021 General Instructions for Certain Information Returns.

**Truncating recipient's TIN on payee statements.** Pursuant to Regulations section 301.6109-4, all filers of this form may truncate a payee's TIN (social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN)) on payee statements. Truncation is not allowed on any documents the filer files with the IRS. A filer's TIN may not be truncated on any form. See part J in the 2021 General Instructions for Certain Information Returns.

### 2nd TIN Not.

You may enter an "X" in this box if you were notified by the IRS twice within 3 calendar years that the payee provided an incorrect TIN. If you mark this box, the IRS will not send you any further notices about this account.

However, if you received both IRS notices in the same year, or if you received them in different years but they both related to information returns filed for the same year, do not check the box at this time. For purposes of the two-notices-in-3-years rule, you are considered to have received one notice and you are not required to send a second "B" notice to the taxpayer on receipt of the second notice. See part N in the 2021 General Instructions for Certain Information Returns for more information.



*For information on the TIN Matching System offered by the IRS, see Items You Should Note in the 2021 General Instructions for Certain Information Returns.*

### Account Number

The account number is required if you have multiple accounts for a recipient for whom you are filing more than one Form 1099-PATR. Additionally, the IRS encourages you to designate an account number for all Forms 1099-PATR that you file. See part L in the 2021 General Instructions for Certain Information Returns.

### Box 1. Patronage Dividends

Enter the patron's share of total patronage dividends paid in cash (including qualified or "consent" checks), qualified written notices of allocation (face amount), and other property (except

nonqualified written notices of allocation) allowable as a deduction under section 1382(b)(1).

## Box 2. Nonpatronage Distributions

For farmers' cooperatives exempt from tax under section 521 only, enter the patron's share of the total amount paid in cash (including qualified or "consent" checks), qualified written notices of allocation (face amount), and other property (except nonqualified written notices of allocation) on a patronage basis with respect to the cooperative's earnings that are derived from business done for the United States or any agency thereof or from nonpatronage sources allowable as a deduction under section 1382(c)(2)(A).

Redemptions of nonqualified written notices of allocation that were paid on a patronage basis with respect to the cooperative's earnings from nonpatronage sources allowable as a deduction under section 1382(c)(2)(B) are also required to be included in box 2. Prior to tax year 2020, these amounts were reported in box 5.

## Box 3. Per-Unit Retain Allocations

Enter the patron's share of the total per-unit retain allocations paid in cash, qualified per-unit retain certificates (face amount), and other property (except nonqualified per-unit retain certificates) allowable as a deduction under section 1382(b)(3).

## Box 4. Federal Income Tax Withheld

Enter backup withholding on patronage payments. Persons who have not furnished their TIN to you in the manner required are subject to withholding on payments required to be reported in boxes 1, 2, 3, and 5 to the extent such payments are in cash or qualified check. See Regulations section 31.3406(b)(2)-5 for more information on backup withholding by cooperatives.

For more information on backup withholding, including the applicable rate, see part N in the 2021 General Instructions for Certain Information Returns.

## Box 5. Redeemed Nonqualified Notices

Enter the amount of redeemed nonqualified written notices of allocation that were paid as a patronage dividend and the amount of redeemed nonqualified per-unit retain certificates that were paid as a per-unit retain allocation. See sections 1382(b)(2) and (4).

## Box 6. Section 199A(g) Deduction

For specified agricultural and horticultural cooperatives only, enter the patron's share of the amount of section 199A(g) deduction claimed by the cooperative under section 199A(g) and passed through to the patron. This amount must have been designated in a written notice sent to the patron from the cooperative within the payment period under section 1382(d). The deduction allocated to each patron cannot exceed 9% of the qualified payments reported in box 7 and cannot be passed through to patrons that are C corporations. Do not reduce the amounts reported in box 1 or box 3 by the amount reported in box 6.

**Note.** The cooperative must reduce its section 1382 deduction by the amount of the section 199A(g) deduction passed through to its patrons.

## Box 7. Qualified Payments

For specified agricultural and horticultural cooperatives only, enter the qualified payments paid to the patron. You are required to provide this information whether or not you pass any of the domestic production activities deduction (DPAD) through to the patrons. See section 199A(b)(7).

## Box 8. Section 199A(a) Qualified Items

Enter amounts reported to the patrons that are qualified items of income, gain, deduction, or loss from qualified trades or businesses that are not a specified service trade or business (SSTB) for purposes of section 199A. Examples of income that are not qualified items include tax-exempt income, capital gains, and income that isn't effectively connected with the conduct of a trade or business within the United States. See the Instructions for Form 8995-A for more information on qualified items. Report items relating to SSTBs separately in box 9.

## Box 9. Section 199A(a) SSTB Items

Enter amounts reported to the patrons that are qualified items from otherwise qualified trades or businesses that are an SSTB for purposes of section 199A. Examples of SSTBs include the provision of services in the fields of health, law, accounting, etc. See the Instructions for Form 8995-A for more information on SSTBs and income that does not qualify as qualified items.

## Box 10. Investment Credit

Enter the patron's share of total investment credit.

## Box 11. Work Opportunity Credit

Enter the patron's share of total work opportunity credit.

## Box 12. Other Credits and Deductions

For the patron, state separately in box 12 the type and amount of each of the following credits and deductions.

- The empowerment zone credit (Form 8844).
- The low sulfur diesel fuel production credit (Form 8896).
- The credit for small employer health insurance premiums (Form 8941).
- The credit for employer differential wage payments (Form 8932).
- The deduction for capital costs incurred by small refiner cooperatives when complying with EPA sulfur regulations.
- The biodiesel and renewable diesel fuels credit (Form 8864).

## Box 13. Specified Cooperatives

Check this box if you are reporting information as a specified agricultural or horticultural cooperative, defined in section 199A(g)(4)(A) as a cooperative to which part 1 of subchapter T of chapter 1 of subtitle A of the Code applies which is engaged (1) in the manufacturing, production, growth, or extraction in whole or significant part of any agricultural or horticultural product, or (2) in the marketing of agricultural or horticultural products.